

Testimony

of

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President

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States Department of Agriculture, United States Department
of Commerce**

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Good Morning Ambassador Lighthizer, and thank you for allowing me to testify today. My name is Joe Cornelius, Jr. I am the current owner and President of J&B Blueberry Farms, Inc., a sixth-generation farm in southeast Georgia that has always grown produce but has primarily focused on blueberries since the 1980's. In the past I have served as Chairman of the Georgia Commodity Commission for Blueberries as well as President for the Georgia Blueberry Growers Association. I also serve on the Board of MBG, a grower-owned blueberry marketing cooperative formed in 1936. Today, with a production base of over 300 growers, MBG is the largest grower-owned marketer of fresh and value-added processed cultivated blueberries in the world. I am testifying today to put on record with the Office of the U.S. Trade Representative, the U.S. Department of Agriculture and the U.S. Department of Commerce the unfair and illegal trade practices that produce farmers, and more specifically blueberry farmers, are facing today.

The American blueberry industry has been viewed historically as a niche crop with producers primarily focused on local markets. However, this changed drastically as extensive research highlighted the substantial health benefits from blueberry consumption. Acreage has increased exponentially to meet heightened demand, and what was a very small component of overall U.S. produce production has developed into a significant industry segment of U.S. perishable crop production.

With this increased demand, retail outlets have followed the "year-round availability" model that is commonplace in U.S. supermarkets. As such, international producers adjusted their crop plantings to this new demand for blueberries. International producers were able to fill market windows in the U.S. when domestic production was unavailable or unable to meet that demand. Nations such as Mexico, Chile, and Peru began to supply the bulk of off-season blueberries and were able to take advantage of international trade regulations. What began as a compliment to the U.S. blueberry industry has quickly evolved into direct competition. International producers, not content with a narrow window of production, began aggressively developing market strategies that have had a negative impact on the American farmer.

Countries exporting blueberries to the U.S. have been able to capitalize on the lack of tariffs or other barriers that were not cured by the North American Free Trade Agreement (NAFTA) or U.S.-Mexico-Canada Agreement (USMCA). Significantly reduced land, labor, and supply costs have made the prospect of year-round export to the U.S. marketplace incredibly profitable. These foreign

producers, not content with just year round profits, have taken measures to the extreme. Just this year cases of imported Mexican fruit intentionally mislabeled as being grown in the U.S. has been documented. The relaxed oversight to blueberry imports has given foreign producers a green light to take any step they can to maximize their already inflated profits. The current regulatory environment appears on its face to also benefit corporate interests ahead of U.S. producers, allowing even domestic importers a greater opportunity for profit.

With the increasing supply of imported fruit flooding the marketplace, my operation, like many others, is facing depressed demand and more importantly, significantly depressed pricing. While many other crops produced domestically enjoy some form of price protection, the American blueberry farmer must sell their crop in the open marketplace and take whatever price is offered. These depressed prices are forcing many farmers to evaluate the viability of their multi-generational farms. As more farmers face the reality that their model is simply unsustainable, these family farms will inevitably disappear.

This leads to another issue that should be the top priority of all relevant federal agencies: Food Security. As the world continues to address the COVID-19 pandemic, we have seen firsthand how domestic and international supply chains have fallen apart. The availability of a year-round supply of perishable goods has now come into question. Many nations are beginning to look internally to address their own needs. The time has come for the United States to do the same. If we are unable to secure an international supply of perishable goods to meet demand, how can we rely on a domestic supply when our own farms are going out of business?

Without significant oversight, regulatory enforcement, and policy changes that protect the U.S. producer, we face a future that makes America and Americans far less food secure.

We appreciate the letter you sent the Georgia Congressional Delegation during the USMCA debate but hope that your office will soon come forth with a plan that allows the Georgia blueberry industry to remain a viable part of the economies of Rural Georgia. It is my hope that this Administration will address the needs of the American producer and protect us from the unfair trade practices that are having such a negative impact on our industry.